

Internal Revenue bulletin

Bulletin No. 2000-50
December 11, 2000

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

INCOME TAX

Rev. Rul. 2000-57, page 579.

Interest rates; underpayments and overpayments. The rate of interest determined under section 6621 of the Code for the calendar quarter beginning January 1, 2001, will be 9 percent for overpayments (8 percent in the case of a corporation), 9 percent for underpayments, and 11 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding \$10,000 is 6.5 percent.

Rev. Rul. 2000-58, page 578.

LIFO; price indexes; department stores. The October 2000 Bureau of Labor Statistics price indexes are accepted

for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, October 31, 2000.

EXEMPT ORGANIZATIONS

Announcement 2000-98, page 584.

A list is provided of organizations now classified as private foundations.

Finding Lists begin on page ii.



Department of the Treasury
Internal Revenue Service

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities

and by applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are consolidated semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and proce-

dures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The first Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the first Bulletin of the succeeding semiannual period, respectively.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 472.—Last-in, First-out Inventories

26 CFR 1.472-1: Last-in, first-out inventories.

LIFO; price indexes; department stores. The October 2000 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, October 31, 2000.

Rev. Rul. 2000-58

The following Department Store Inventory Price Indexes for October 2000 were issued by the Bureau of Labor Statistics. The indexes are accepted by the Internal Revenue Service, under § 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out in-

ventory methods for tax years ended on, or with reference to, October 31, 2000.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups - soft goods, durable goods, and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

BUREAU OF LABOR STATISTICS, DEPARTMENT STORE INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS

(January 1941 = 100, unless otherwise noted)

Groups	Oct. 1999	Oct. 2000	Percent Change from Oct. 1999 to Oct. 2000 ¹
1. Piece Goods	545.8	502.4	-8.0
2. Domestics and Draperies	625.6	608.5	-2.7
3. Women's and Children's Shoes	653.3	661.5	1.3
4. Men's Shoes	881.2	915.5	3.9
5. Infants' Wear	645.2	649.0	0.6
6. Women's Underwear	571.7	579.6	1.4
7. Women's Hosiery	328.9	346.2	5.3
8. Women's and Girls' Accessories	536.7	555.6	3.5
9. Women's Outerwear and Girls' Wear	416.9	414.1	-0.7
10. Men's Clothing	627.5	601.0	-4.2
11. Men's Furnishings	631.1	632.7	0.3
12. Boys' Clothing and Furnishings	508.8	494.4	-2.8
13. Jewelry	969.2	937.1	-3.3
14. Notions	771.7	792.8	2.7
15. Toilet Articles and Drugs	985.6	971.1	-1.5
16. Furniture and Bedding	692.3	704.3	1.7
17. Floor Coverings	603.3	627.7	4.0
18. Housewares	792.9	778.0	-1.9
19. Major Appliances	234.8	228.6	-2.6
20. Radio and Television	64.2	57.9	-9.8
21. Recreation and Education ²	96.5	92.6	-4.0
22. Home Improvements ²	128.8	128.9	0.1
23. Auto Accessories ²	106.8	106.7	-0.1
Groups 1 - 15: Soft Goods	612.3	607.3	-0.8
Groups 16 - 20: Durable Goods`	448.6	437.8	-2.4
Groups 21 - 23: Misc. Goods ²	102.7	100.1	-2.5
Store Total ³	550.9	543.6	-1.3

¹ Absence of a minus sign before the percentage change in this column signifies a price increase.

² Indexes on a January 1986=100 base.

³ The store total index covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

The principal author of this revenue ruling is Alan J. Tomsic of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Tomsic at (202) 622-4970 (not a toll-free call).

Section 6621.— Determination of Interest Rate

26 CFR 301.6621-1: *Interest rate.*

Interest rates; underpayments and overpayments. The rate of interest determined under section 6621 of the Code for the calendar quarter beginning January 1, 2001, will be 9 percent for overpayments (8 percent in the case of a corporation), 9 percent for underpayments, and 11 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding \$10,000 is 6.5 percent.

Rev. Rul. 2000-57

Section 6621 of the Internal Revenue Code establishes the rates for interest on tax overpayments and tax underpayments. Under § 6621(a)(1), the overpayment rate beginning January 1, 2001, is the sum of the federal short-term rate plus 3 percentage points (2 percentage points in the case of a corporation), except the rate for the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the sum of the federal short-term rate plus 0.5 of a percentage point for interest computations made after December 31, 1994. Under § 6621(a)(2), the underpayment rate is the sum of the federal short-term rate plus 3 percentage points.

Section 6621(c) provides that for purposes of interest payable under § 6601 on any large corporate underpayment, the underpayment rate under § 6621(a)(2) is determined by substituting “5 percentage points” for “3 percentage points.” See § 6621(c) and § 301.6621-3 of the Regulations on Procedure and Administration for the definition of a large corporate underpayment and for the rules for determining the applicable date. Section 6621(c) and § 301.6621-3 are generally effective for periods after December 31, 1990.

Section 6621(b)(1) provides that the Secretary will determine the federal short-term rate for the first month in each calendar quarter.

Section 6621(b)(2)(A) provides that the federal short-term rate determined under § 6621(b)(1) for any month applies during the first calendar quarter beginning after such month.

Section 6621(b)(2)(B) provides that in determining the addition to tax under § 6654 for failure to pay estimated tax for any taxable year, the federal short-term rate that applies during the third month following such taxable year also applies during the first 15 days of the fourth month following such taxable year.

Section 6621(b)(3) provides that the federal short-term rate for any month is the federal short-term rate determined during such month by the Secretary in accordance with § 1274(d), rounded to the nearest full percent (or, if a multiple of 1/2 of 1 percent, the rate is increased to the next highest full percent).

Notice 88-59, 1988-1 C.B. 546, announced that, in determining the quarterly interest rates to be used for overpayments and underpayments of tax under § 6621, the Internal Revenue Service will use the federal short-term rate based on daily compounding because that rate is most

consistent with 6621 which, pursuant to § 6622, is subject to daily compounding.

Rounded to the nearest full percent, the federal short-term rate based on daily compounding determined during the month of October 2000 is 6 percent. Accordingly, an overpayment rate of 9 percent (8 percent in the case of a corporation) and an underpayment rate of 9 percent are established for the calendar quarter beginning January 1, 2001. The overpayment rate for the portion of a corporate overpayment exceeding \$10,000 for the calendar quarter beginning January 1, 2001, is 6.5 percent. The underpayment rate for large corporate underpayments for the calendar quarter beginning January 1, 2001, is 11 percent. These rates apply to amounts bearing interest during that calendar quarter.

The 9 percent rate also applies to estimated tax underpayments for the first calendar quarter in 2001 and for the first 15 days in April 2001.

Interest factors for daily compound interest for annual rates of 6.5 percent, 8 percent, 9 percent, and 11 percent are published in Tables 18, 21, 23, and 27 of Rev. Proc. 95-17, 1995-1 C.B. 556, 572, 575, 577, and 581.

Annual interest rates to be compounded daily pursuant to 6622 that apply for prior periods are set forth in the tables accompanying this revenue ruling.

DRAFTING INFORMATION

The principal author of this revenue ruling is Raymond Bailey of the Office of Associate Chief Counsel (Procedure & Administration), Administrative Provisions & Judicial Practice Division. For further information regarding this revenue ruling, contact Mr. Bailey at (202) 622-6226 (not a toll-free call).

TABLE OF INTEREST RATES
PERIODS BEFORE JUL. 1, 1975 - PERIODS ENDING DEC. 31, 1986
OVERPAYMENTS AND UNDERPAYMENTS

PERIOD	RATE	In 1995-1 C.B. DAILY RATE TABLE
Before Jul. 1, 1975	6%	Table 2, pg. 557
Jul. 1, 1975—Jan. 31, 1976	9%	Table 4, pg. 559
Feb. 1, 1976—Jan. 31, 1978	7%	Table 3, pg. 558
Feb. 1, 1978—Jan. 31, 1980	6%	Table 2, pg. 557
Feb. 1, 1980—Jan. 31, 1982	12%	Table 5, pg. 560
Feb. 1, 1982—Dec. 31, 1982	20%	Table 6, pg. 560
Jan. 1, 1983—Jun. 30, 1983	16%	Table 37, pg. 591

TABLE OF INTEREST RATES—Continued
PERIODS BEFORE JUL. 1, 1975 - PERIODS ENDING DEC. 31, 1986
OVERPAYMENTS AND UNDERPAYMENTS

PERIOD	RATE	In 1995–1 C.B. DAILY RATE TABLE
Jul. 1, 1983—Dec. 31, 1983	11%	Table 27, pg. 581
Jan. 1, 1984—Jun. 30, 1984	11%	Table 75, pg. 629
Jul. 1, 1984—Dec. 31, 1984	11%	Table 75, pg. 629
Jan. 1, 1985—Jun. 30, 1985	13%	Table 31, pg. 585
Jul. 1, 1985—Dec. 31, 1985	11%	Table 27, pg. 581
Jan. 1, 1986—Jun. 30, 1986	10%	Table 25, pg. 579
Jul. 1, 1986—Dec. 31, 1986	9%	Table 23, pg. 577

TABLE OF INTEREST RATES
FROM JAN. 1, 1987 - Dec. 31, 1998

	OVERPAYMENTS			UNDERPAYMENTS		
	1995–1 C.B.			1995–1 C.B.		
	RATE	TABLE	PG	RATE	TABLE	PG
Jan. 1, 1987—Mar. 31, 1987	8%	21	575	9%	23	577
Apr. 1, 1987—Jun. 30, 1987	8%	21	575	9%	23	577
Jul. 1, 1987—Sep. 30, 1987	8%	21	575	9%	23	577
Oct. 1, 1987—Dec. 31, 1987	9%	23	577	10%	25	579
Jan. 1, 1988—Mar. 31, 1988	10%	73	627	11%	75	629
Apr. 1, 1988—Jun. 30, 1988	9%	71	625	10%	73	627
Jul. 1, 1988—Sep. 30, 1988	9%	71	625	10%	73	627
Oct. 1, 1988—Dec. 31, 1988	10%	73	627	11%	75	629
Jan. 1, 1989—Mar. 31, 1989	10%	25	579	11%	27	581
Apr. 1, 1989—Jun. 30, 1989	11%	27	581	12%	29	583
Jul. 1, 1989—Sep. 30, 1989	11%	27	581	12%	29	583
Oct. 1, 1989—Dec. 31, 1989	10%	25	579	11%	27	581
Jan. 1, 1990—Mar. 31, 1990	10%	25	579	11%	27	581
Apr. 1, 1990—Jun. 30, 1990	10%	25	579	11%	27	581
Jul. 1, 1990—Sep. 30, 1990	10%	25	579	11%	27	581
Oct. 1, 1990—Dec. 31, 1990	10%	25	579	11%	27	581
Jan. 1, 1991—Mar. 31, 1991	10%	25	579	11%	27	581
Apr. 1, 1991—Jun. 30, 1991	9%	23	577	10%	25	579
Jul. 1, 1991—Sep. 30, 1991	9%	23	577	10%	25	579
Oct. 1, 1991—Dec. 31, 1991	9%	23	577	10%	25	579
Jan. 1, 1992—Mar. 31, 1992	8%	69	623	9%	71	625
Apr. 1, 1992—Jun. 30, 1992	7%	67	621	8%	69	623
Jul. 1, 1992—Sep. 30, 1992	7%	67	621	8%	69	623
Oct. 1, 1992—Dec. 31, 1992	6%	65	619	7%	67	621
Jan. 1, 1993—Mar. 31, 1993	6%	17	571	7%	19	573
Apr. 1, 1993—Jun. 30, 1993	6%	17	571	7%	19	573
Jul. 1, 1993—Sep. 30, 1993	6%	17	571	7%	19	573
Oct. 1, 1993—Dec. 31, 1993	6%	17	571	7%	19	573
Jan. 1, 1994—Mar. 31, 1994	6%	17	571	7%	19	573
Apr. 1, 1994—Jun. 30, 1994	6%	17	571	7%	19	573
Jul. 1, 1994—Sep. 30, 1994	7%	19	573	8%	21	575
Oct. 1, 1994—Dec. 31, 1994	8%	21	575	9%	23	577
Jan. 1, 1995—Mar. 31, 1995	8%	21	575	9%	23	577
Apr. 1, 1995—Jun. 30, 1995	9%	23	577	10%	25	579
Jul. 1, 1995—Sep. 30, 1995	8%	21	575	9%	23	577
Oct. 1, 1995—Dec. 31, 1995	8%	21	575	9%	23	577
Jan. 1, 1996—Mar. 31, 1996	8%	69	623	9%	71	625
Apr. 1, 1996—Jun. 30, 1996	7%	67	621	8%	69	623

TABLE OF INTEREST RATES—Continued
FROM JAN. 1, 1987–Dec. 31, 1998

	OVERPAYMENTS			UNDERPAYMENTS		
	1995–1 C.B.			1995–1 C.B.		
	RATE	TABLE	PG	RATE	TABLE	PG
Jul. 1, 1996–Sep. 30, 1996	8%	69	623	9%	71	625
Oct. 1, 1996–Dec. 31, 1996	8%	69	623	9%	71	625
Jan. 1, 1997–Mar. 31, 1997	8%	21	575	9%	23	577
Apr. 1, 1997–Jun. 30, 1997	8%	21	575	9%	23	577
Jul. 1, 1997–Sep. 30, 1997	8%	21	575	9%	23	577
Oct. 1, 1997–Dec. 31, 1997	8%	21	575	9%	23	577
Jan. 1, 1998–Mar. 31, 1998	8%	21	575	9%	23	577
Apr. 1, 1998–Jun. 30, 1998	7%	19	573	8%	21	575
Jul. 1, 1998–Sep. 30, 1998	7%	19	573	8%	21	575
Oct. 1, 1998–Dec. 31, 1998	7%	19	573	8%	21	575

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999–PRESENT
NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS

	1995–1 C.B.		
	RATE	TABLE	PAGE
Jan. 1, 1999–Mar. 31, 1999	7%	19	573
Apr. 1, 1999–Jun. 30, 1999	8%	21	575
Jul. 1, 1999–Sep. 30, 1999	8%	21	575
Oct. 1, 1999–Dec. 31, 1999	8%	21	575
Jan. 1, 2000–Mar. 31, 2000	8%	69	623
Apr. 1, 2000–Jun. 30, 2000	9%	71	625
Jul. 1, 2000–Sep. 30, 2000	9%	71	625
Oct. 1, 2000–Dec. 31, 2000	9%	71	625
Jan. 1, 2001–Mar. 31, 2001	9%	23	577

TABLE OF INTEREST RATES
FROM JAN. 1, 1999–PRESENT
CORPORATE OVERPAYMENTS AND UNDERPAYMENTS

	OVERPAYMENTS			UNDERPAYMENTS		
	1995–1 C.B.			1995–1 C.B.		
	RATE	TABLE	PG	RATE	TABLE	PG
Jan. 1, 1999–Mar. 31, 1999	6%	17	571	7%	9	573
Apr. 1, 1999–Jun. 30, 1999	7%	19	573	8%	21	575
Jul. 1, 1999–Sep. 30, 1999	7%	19	573	8%	21	575
Oct. 1, 1999–Dec. 31, 1999	7%	19	573	8%	21	575
Jan. 1, 2000–Mar. 31, 2000	7%	67	621	8%	69	623
Apr. 1, 2000–Jun. 30, 2000	8%	69	623	9%	71	625
Jul. 1, 2000–Sep. 30, 2000	8%	69	623	9%	71	625
Oct. 1, 2000–Dec. 31, 2000	8%	69	623	9%	71	625
Jan. 1, 2001–Mar. 31, 2001	8%	21	575	9%	23	577

TABLE OF INTEREST RATES FOR
LARGE CORPORATE UNDERPAYMENTS
FROM JANUARY 1, 1991–PRESENT

		1995–1 C.B.	
	RATE	TABLE	PAGE
Jan. 1, 1991—Mar. 31, 1991	13%	31	585
Apr. 1, 1991—Jun. 30, 1991	12%	29	583
Jul. 1, 1991—Sep. 30, 1991	12%	29	583
Oct. 1, 1991—Dec. 31, 1991	12%	29	583
Jan. 1, 1992—Mar. 31, 1992	11%	75	629
Apr. 1, 1992—Jun. 30, 1992	10%	73	627
Jul. 1, 1992—Sep. 30, 1992	10%	73	627
Oct. 1, 1992—Dec. 31, 1992	9%	71	625
Jan. 1, 1993—Mar. 31, 1993	9%	23	577
Apr. 1, 1993—Jun. 30, 1993	9%	23	577
Jul. 1, 1993—Sep. 30, 1993	9%	23	577
Oct. 1, 1993—Dec. 31, 1993	9%	23	577
Jan. 1, 1994—Mar. 31, 1994	9%	23	577
Apr. 1, 1994—Jun. 30, 1994	9%	23	577
Jul. 1, 1994—Sep. 30, 1994	10%	25	579
Oct. 1, 1994—Dec. 31, 1994	11%	27	581
Jan. 1, 1995—Mar. 31, 1995	11%	27	581
Apr. 1, 1995—Jun. 30, 1995	12%	29	583
Jul. 1, 1995—Sep. 30, 1995	11%	27	581
Oct. 1, 1995—Dec. 31, 1995	11%	27	581
Jan. 1, 1996—Mar. 31, 1996	11%	75	629
Apr. 1, 1996—Jun. 30, 1996	10%	73	627
Jul. 1, 1996—Sep. 30, 1996	11%	75	629
Oct. 1, 1996—Dec. 31, 1996	11%	75	629
Jan. 1, 1997—Mar. 31, 1997	11%	27	581
Apr. 1, 1997—Jun. 30, 1997	11%	27	581
Jul. 1, 1997—Sep. 30, 1997	11%	27	581
Oct. 1, 1997—Dec. 31, 1997	11%	27	581
Jan. 1, 1998—Mar. 31, 1998	11%	27	581
Apr. 1, 1998—Jun. 30, 1998	10%	25	579
Jul. 1, 1998—Sep. 30, 1998	10%	25	579
Oct. 1, 1998—Dec. 31, 1998	10%	25	579
Jan. 1, 1999—Mar. 31, 1999	9%	23	577
Apr. 1, 1999—Jun. 30, 1999	10%	25	579
Jul. 1, 1999—Sep. 30, 1999	10%	25	579
Oct. 1, 1999—Dec. 31, 1999	10%	25	579
Jan. 1, 2000—Mar. 31, 2000	10%	73	627
Apr. 1, 2000—Jun. 30, 2000	11%	75	629
Jul. 1, 2000—Sep. 30, 2000	11%	75	629
Oct. 1, 2000—Dec. 31, 2000	11%	75	629
Jan. 1, 2001—Mar. 31, 2001	11%	27	581

TABLE OF INTEREST RATES FOR CORPORATE
OVERPAYMENTS EXCEEDING \$10,000
FROM JANUARY 1, 1995–PRESENT

		1995–1 C.B.	
	RATE	TABLE	PAGE
Jan. 1, 1995—Mar. 31, 1995	6.5%	18	572
Apr. 1, 1995—Jun. 30, 1995	7.5%	20	574
Jul. 1, 1995—Sep. 30, 1995	6.5%	18	572
Oct. 1, 1995—Dec. 31, 1995	6.5%	18	572
Jan. 1, 1996—Mar. 31, 1996	6.5%	66	620
Apr. 1, 1996—Jun. 30, 1996	5.5%	64	618
Jul. 1, 1996—Sep. 30, 1996	6.5%	66	620
Oct. 1, 1996—Dec. 31, 1996	6.5%	66	620
Jan. 1, 1997—Mar. 31, 1997	6.5%	18	572
Apr. 1, 1997—Jun. 30, 1997	6.5%	18	572
Jul. 1, 1997—Sep. 30, 1997	6.5%	18	572
Oct. 1, 1997—Dec. 31, 1997	6.5%	18	572
Jan. 1, 1998—Mar. 31, 1998	6.5%	18	572
Apr. 1, 1998—Jun. 30, 1998	5.5%	16	570
Jul. 1, 1998—Sep. 30, 1998	5.5%	16	570
Oct. 1, 1998—Dec. 31, 1998	5.5%	16	570
Jan. 1, 1999—Mar. 31, 1999	4.5%	14	568
Apr. 1, 1999—Jun. 30, 1999	5.5%	16	570
Jul. 1, 1999—Sep. 30, 1999	5.5%	16	570
Oct. 1, 1999—Dec. 31, 1999	5.5%	16	570
Jan. 1, 2000—Mar. 31, 2000	5.5%	64	618
Apr. 1, 2000—Jun. 30, 2000	6.5%	66	620
Jul. 1, 2000—Sep. 30, 2000	6.5%	66	620
Oct. 1, 2000—Dec. 31, 2000	6.5%	66	620
Jan. 1, 2001—Mar. 31, 2001	6.5%	18	572

Part IV. Items of General Interest

Foundations Status of Certain Organizations

Announcement 2000-98

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in section 501(c)(3), eligible to receive deductible contributions.

Former Public Charities. The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

Abbeyfield Society of the USA,
Brookfield, IL

Alabama Boychoir Foundation, Inc.,
Tuscaloosa, AL

Best Practices in Education, Inc.,
Portland, ME

Bunkie Community Development Corporation, Bunkie, LA
Calenergy Foundation, Inc., Omaha, NE
California Desert Protection League,
Los Angeles, CA
Center for Natural Resources Development, Walnut Creek, CA
Central Coast Youth Foundation, Prunedale, CA
Centre for Science and Environment, Washington, DC
Christian Family Counseling & Nutrition Centre, Seaview, WA
Christie E. Cuddeback and Lucille M. Cuddeback Memorial Fund c/o Frank M. Banson, Jr. & Rob Ross Hendrickson, Co-Trustees, Baltimore, MD
Evelyn Graves Community Development Corporation, Philadelphia, PA
Iowa Construction Career Institute Inc., Des Moines, IA
Jesucristo Reina Evangelistic Association, Inc., Metuchen, NJ
Louisiana Center for Forensic Science, Inc., Bossier City, LA
Marble Hill Development Corporation, Baltimore, MD
Observer Educational Foundation, Inc., Sacramento, CA

Saginaw Partners in Networking, Saginaw, MI
Seneca Housing and Rural Preservation Corporation, Salamanca, NY
Shiloh Homes, Oakland, CA
Streets of Hope Foundation International Inc., Glen Allen, VA
Town & Country Fire District, West Salem, OH
Turano Foundation, Chicago, IL
White Stone Ministries, Inc., Franklin, WI
Willamette Valley Sar Dogs, Inc., Albany, OR

If an organization listed above submits information that warrants the renewal of its classification as a public charity or as a private operating foundation, the Internal Revenue Service will issue a ruling or determination letter with the revised classification as to foundation status. Grantors and contributors may thereafter rely upon such ruling or determination letter as provided in section 1.509(a)-7 of the Income Tax Regulations. It is not the practice of the Service to announce such revised classification of foundation status in the Internal Revenue Bulletin.

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it ap-

plies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in law or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.

E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign Corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.

PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statements of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

Numerical Finding List¹

Bulletins 2000–27 through 2000–49

Announcements:

2000–57, 2000–28 I.R.B. *115*
2000–58, 2000–30 I.R.B. *135*
2000–59, 2000–29 I.R.B. *120*
2000–60, 2000–31 I.R.B. *149*
2000–61, 2000–30 I.R.B. *136*
2000–62, 2000–30 I.R.B. *137*
2000–63, 2000–31 I.R.B. *149*
2000–64, 2000–31 I.R.B. *149*
2000–65, 2000–31 I.R.B. *150*
2000–66, 2000–32 I.R.B. *160*
2000–67, 2000–32 I.R.B. *160*
2000–68, 2000–32 I.R.B. *161*
2000–69, 2000–33 I.R.B. *183*
2000–70, 2000–34 I.R.B. *204*
2000–71, 2000–44 I.R.B. *456*
2000–72, 2000–35 I.R.B. *226*
2000–73, 2000–35 I.R.B. *230*
2000–74, 2000–35 I.R.B. *230*
2000–75, 2000–37 I.R.B. *268*
2000–76, 2000–36 I.R.B. *260*
2000–77, 2000–36 I.R.B. *260*
2000–78, 2000–43 I.R.B. *428*
2000–79, 2000–39 I.R.B. *303*
2000–80, 2000–40 I.R.B. *320*
2000–81, 2000–41 I.R.B. *348*
2000–82, 2000–42 I.R.B. *385*
2000–83, 2000–41 I.R.B. *348*
2000–84, 2000–42 I.R.B. *385*
2000–85, 2000–43 I.R.B. *429*
2000–86, 2000–44 I.R.B. *456*
2000–87, 2000–44 I.R.B. *457*
2000–88, 2000–44 I.R.B. *460*
2000–89, 2000–45 I.R.B. *467*
2000–90, 2000–47 I.R.B. *515*
2000–91, 2000–46 I.R.B. *484*
2000–92, 2000–46 I.R.B. *486*
2000–93, 2000–46 I.R.B. *487*
2000–94, 2000–47 I.R.B. *515*
2000–95, 2000–48 I.R.B. *556*
2000–96, 2000–48 I.R.B. *556*
2000–97, 2000–48 I.R.B. *557*

Court Decisions:

2068, 2000–28 I.R.B. *109*

Notices:

2000–33, 2000–27 I.R.B. *97*
2000–34, 2000–33 I.R.B. *172*
2000–35, 2000–29 I.R.B. *118*
2000–36, 2000–33 I.R.B. *173*
2000–37, 2000–29 I.R.B. *118*
2000–38, 2000–33 I.R.B. *174*
2000–39, 2000–30 I.R.B. *132*
2000–40, 2000–30 I.R.B. *134*
2000–41, 2000–33 I.R.B. *177*
2000–42, 2000–39 I.R.B. *302*
2000–43, 2000–35 I.R.B. *209*
2000–44, 2000–36 I.R.B. *255*
2000–45, 2000–36 I.R.B. *256*
2000–46, 2000–37 I.R.B. *265*
2000–47, 2000–46 I.R.B. *480*
2000–48, 2000–37 I.R.B. *265*
2000–49, 2000–37 I.R.B. *266*
2000–50, 2000–38 I.R.B. *291*

Notices—Continued:

2000–51, 2000–38 I.R.B. *291*
2000–52, 2000–38 I.R.B. *292*
2000–53, 2000–38 I.R.B. *293*
2000–54, 2000–42 I.R.B. *356*
2000–55, 2000–43 I.R.B. *393*
2000–56, 2000–43 I.R.B. *393*
2000–57, 2000–43 I.R.B. *389*
2000–58, 2000–47 I.R.B. *491*
2000–59, 2000–48 I.R.B. *519*
2000–60, 2000–49 I.R.B. *568*
2000–61, 2000–49 I.R.B. *569*

Proposed Regulations:

REG–209038–89, 2000–34 I.R.B. *191*
REG–246249–96, 2000–44 I.R.B. *439*
REG–105316–98, 2000–27 I.R.B. *98*
REG–110311–98, 2000–36 I.R.B. *258*
REG–103805–99, 2000–42 I.R.B. *376*
REG–105235–99, 2000–44 I.R.B. *447*
REG–116050–99, 2000–48 I.R.B. *520*
REG–116495–99, 2000–33 I.R.B. *179*
REG–103735–00, 2000–36 I.R.B. *258*
REG–103736–00, 2000–36 I.R.B. *258*
REG–106511–00, 2000–45 I.R.B. *465*
REG–108522–00, 2000–34 I.R.B. *187*
REG–108553–00, 2000–44 I.R.B. *452*
REG–112502–00, 2000–40 I.R.B. *316*
REG–114697–00, 2000–43 I.R.B. *421*

Railroad Retirement Quarterly Rate:

2000–28, I.R.B. *112*
2000–29, I.R.B. *117*
2000–42, I.R.B. *354*

Revenue Procedures:

2000–28, 2000–27 I.R.B. *60*
2000–29, 2000–28 I.R.B. *113*
2000–30, 2000–28 I.R.B. *113*
2000–31, 2000–31 I.R.B. *146*
2000–32, 2000–33 I.R.B. *172*
2000–33, 2000–36 I.R.B. *257*
2000–34, 2000–34 I.R.B. *186*
2000–35, 2000–35 I.R.B. *211*
2000–36, 2000–37 I.R.B. *267*
2000–37, 2000–40 I.R.B. *308*
2000–38, 2000–40 I.R.B. *310*
2000–39, 2000–41 I.R.B. *340*
2000–40, 2000–42 I.R.B. *357*
2000–41, 2000–42 I.R.B. *371*
2000–42, 2000–43 I.R.B. *394*
2000–43, 2000–43 I.R.B. *404*
2000–44, 2000–43 I.R.B. *409*
2000–45, 2000–43 I.R.B. *417*
2000–46, 2000–44 I.R.B. *438*
2000–47, 2000–46 I.R.B. *482*
2000–48, 2000–49 I.R.B. *570*
2000–49, 2000–47 I.R.B. *491*

Revenue Rulings:

2000–32, 2000–27 I.R.B. *1*
2000–33, 2000–31 I.R.B. *142*
2000–34, 2000–29 I.R.B. *116*
2000–35, 2000–31 I.R.B. *138*
2000–36, 2000–31 I.R.B. *140*
2000–37, 2000–32 I.R.B. *156*
2000–38, 2000–32 I.R.B. *157*
2000–39, 2000–34 I.R.B. *184*
2000–40, 2000–35 I.R.B. *208*

Revenue Rulings—Continued:

2000–41, 2000–36 I.R.B. *248*
2000–42, 2000–39 I.R.B. *297*
2000–43, 2000–41 I.R.B. *333*
2000–44, 2000–41 I.R.B. *336*
2000–45, 2000–41 I.R.B. *337*
2000–46, 2000–41 I.R.B. *334*
2000–47, 2000–37 I.R.B. *264*
2000–48, 2000–42 I.R.B. *349*
2000–49, 2000–44 I.R.B. *430*
2000–50, 2000–45 I.R.B. *462*
2000–51, 2000–46 I.R.B. *469*
2000–52, 2000–48 I.R.B. *516*
2000–53, 2000–47 I.R.B. *488*
2000–54, 2000–49 I.R.B. *566*

Tax Conventions:

2000–46 I.R.B. *475*

Treasury Decisions:

8886, 2000–27 I.R.B. *3*
8888, 2000–27 I.R.B. *3*
8889, 2000–30 I.R.B. *124*
8890, 2000–30 I.R.B. *122*
8891, 2000–32 I.R.B. *152*
8892, 2000–32 I.R.B. *158*
8893, 2000–31 I.R.B. *143*
8894, 2000–33 I.R.B. *162*
8895, 2000–40 I.R.B. *304*
8896, 2000–36 I.R.B. *249*
8897, 2000–36 I.R.B. *234*
8898, 2000–38 I.R.B. *276*
8899, 2000–38 I.R.B. *288*
8900, 2000–38 I.R.B. *279*
8901, 2000–38 I.R.B. *272*
8902, 2000–41 I.R.B. *323*
8903, 2000–42 I.R.B. *352*
8904, 2000–42 I.R.B. *350*
8905, 2000–44 I.R.B. *435*
8906, 2000–46 I.R.B. *470*
8907, 2000–49 I.R.B. *558*

¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2000–1 through 2000–26 is in Internal Revenue Bulletin 2000–27, dated July 3, 2000.

Finding List of Current Actions on Previously Published Items¹

Bulletins 2000–27 through 2000–49

Notices:

87–76

Obsoleted by
T.D. 8897, 2000–36 I.R.B. 234

88–24

Obsoleted by
T.D. 8897, 2000–36 I.R.B. 234

88–86

Obsoleted by
T.D. 8897 (section V), 2000–36 I.R.B. 234

97–4

Superseded by
Notice 2000–58, 2000–47 I.R.B. 491

2000–48

Superseded by
Rev. Proc. 2000–39, 2000–41 I.R.B. 340

Proposed Regulations:

LR–97–79

Partial withdrawal by
REG–103805–99, 2000–42 I.R.B. 376

FI–42–90

Withdrawn by
Announcement 2000–63, 2000–31 I.R.B. 149

IA–38–93

Withdrawn by
Announcement 2000–68, 2000–32 I.R.B. 161

REG–107644–98

Corrected by
Announcement 2000–66, 2000–32 I.R.B. 160

REG–108522–00

Corrected by
Announcement 2000–85, 2000–43 I.R.B. 428

Revenue Procedures:

88–23

Superseded by
Rev. Proc. 2000–35, 2000–35 I.R.B. 211

98–50

Modified and superseded by
Rev. Proc. 2000–31, 2000–31 I.R.B. 146

98–51

Modified and superseded by
Rev. Proc. 2000–31, 2000–31 I.R.B. 146

99–18

Modified by
Rev. Proc. 2000–29, 2000–28 I.R.B. 113

99–34

Superseded by
Rev. Proc. 2000–28, 2000–27 I.R.B. 60

99–38

Superseded by
Rev. Proc. 2000–48, 2000–49 I.R.B. 570

99–49

Modified and amplified by
Rev. Proc. 2000–38, 2000–40 I.R.B. 310

2000–3

Amplified by
Rev. Proc. 2000–46, 2000–44 I.R.B. 438
Rev. Proc. 2000–47, 2000–46 I.R.B. 482

2000–9

Superseded by
Rev. Proc. 2000–39, 2000–41 I.R.B. 340

Treasury Decisions:

8873

Corrected by
Announcement 2000–74, 2000–35 I.R.B. 230

8883

Corrected by
Announcement 2000–57, 2000–28 I.R.B. 115

8884

Corrected by
Announcement 2000–73, 2000–35 I.R.B. 230

8892

Corrected by
Announcement 2000–81, 2000–41 I.R.B. 348

¹ A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2000–1 through 2000–26 is in Internal Revenue Bulletin 2000–27, dated July 3, 2000.

Order processing code

* **3333**

Publications

Qty.	Stock Number	Title	Price Each	Total Price
	021-066-00005-2	Subject Bibliography listing Cum. Bulletins available thru 1998-2	FREE	FREE
	048-004-02333-4	Cum. Bulletin 1994-2 (July-Dec)	\$62	
	048-004-02335-1	Cum. Bulletin 1995-1 (Jan-June)	63	
	048-004-02338-5	Cum. Bulletin 1995-2 (July-Dec)	58	
	048-004-02366-1	Cum. Bulletin 1996-1 (Jan-June)	77	
	048-004-02376-8	Cum. Bulletin 1996-2 (July-Dec)	57	
	048-004-02384-9	Cum. Bulletin 1996-3 (1996 Tax Legislation)	84	
	048-004-02385-7	Cum. Bulletin 1997-1 (Jan-June)	75	
	048-004-02397-1	Cum. Bulletin 1997-2 (July-Dec)	68	
	048-004-02424-1	Cum. Bulletin 1997-3	62	
	048-004-02425-0	Cum. Bulletin 1997-4 Vol. 1	74	
	048-004-02430-6	Cum. Bulletin 1997-4 Vol. 2	76	
	048-004-02405-5	Cum. Bulletin 1998-1 (Jan-June)	86	
	048-004-02422-5	Cum. Bulletin 1998-2 (July-Dec)	70	

Total for Publications

Standing Order Service *

To automatically receive future editions of *Internal Revenue Cumulative Bulletins* without having to initiate a new purchase order, sign below for Standing Order Service.

Qty.	Standing Order	Title
	ZIRSC	Internal Revenue Cumulative Bulletins

Authorization

I hereby authorize the Superintendent of Documents to charge my account for Standing Order Service:

(enter account information at right)

☐ VISA ☐ MasterCard ☐ Discover/NOVUS

☐ Superintendent of Documents Deposit Account

Authorizing signature (Standing orders not valid unless signed.)

Please print or type your name.

Daytime phone number (_____) _____

SuDocs Deposit Account

A Deposit Account will enable you to use Standing Order Service to receive subsequent volumes quickly and automatically. For an initial deposit of \$50 you can establish your Superintendent of Documents Deposit Account.

☐ **YES!** Open a Deposit Account for me so I can order future publications quickly and easily. I'm enclosing the \$50 initial deposit.



New Deposit Account?



Check here ☐

Subscriptions

Qty.	List ID	Title	Price Each	Total Price
	IRB	Internal Revenue Bulletin	\$170	
		Optional - Add \$50 to open Deposit Account. Also check box in upper right.		
		Total for Subscriptions		
		Total for Publications and Subscriptions		

NOTE: All prices include regular shipping and handling.
Subscription prices are subject to change at any time.
International customers, please add 25%.

Check method of payment:

☐ Check payable to Superintendent of Documents

☐ Deposit Account -

☐ VISA ☐ MasterCard ☐ Discover/NOVUS

(expiration date)

Thank you for your order!

Authorizing signature

7/00

Company or personal name (Please type or print)

Additional address/attention line

Street address

City, State, Zip code

Daytime phone with area code

E-mail address

Purchase order number (optional)

Phone orders: (202) 512-1800
Fax orders: (202) 512-2250
Mail orders: Superintendent of Documents
P.O. Box 371954
Pittsburgh, PA 15250-7954
Online orders: <http://bookstore.gpo.gov/irs>

DO NOT SEND THIS ORDER FORM TO IRS.

*** Standing Order Service**

Just sign the authorization above to charge selected items to your existing Deposit Account, VISA, or MasterCard Discover/NOVUS account. Or open a Deposit Account with an initial deposit of \$50 or more. Your account will be charged only as each volume is issued and mailed. Sufficient money must be kept in your account to insure that items are shipped. Service begins with the next issue released of each item you select.

You will receive written acknowledgement for each item you choose to receive by Standing Order Service.

If you wish to cancel your Standing Order Service, please notify the Superintendent of Documents in writing (telephone cancellations are accepted but must be followed up with a written cancellation within 10 days).

Important: Please include this completed order form with your payment.

INTERNAL REVENUE BULLETIN

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletin is sold on a yearly subscription basis by the Superintendent of Documents. Current subscribers are notified by the Superintendent of Documents when their subscriptions must be renewed.

CUMULATIVE BULLETINS

The contents of this weekly Bulletin are consolidated semiannually into a permanent, indexed, Cumulative Bulletin. These are sold on a single copy basis and *are not* included as part of the subscription to the Internal Revenue Bulletin. Subscribers to the weekly Bulletin are notified when copies of the Cumulative Bulletin are available. Certain issues of Cumulative Bulletins are out of print and are not available. Persons desiring available Cumulative Bulletins, which are listed on the reverse, may purchase them from the Superintendent of Documents.

ACCESS THE INTERNAL REVENUE BULLETIN ON THE INTERNET

You may view the Internal Revenue Bulletin on the Internet at www.irs.gov. Select Tax Info for Business at the bottom of the page. Then select Internal Revenue Bulletins.

INTERNAL REVENUE BULLETINS ON CD-ROM

Internal Revenue Bulletins are available annually as part of Publication 1796 (Tax Products CD-ROM). The CD-ROM can be purchased from National Technical Information Service (NTIS) on the Internet at www.irs.gov/cdorders (discount for online orders) or by calling 1-877-233-6767. The first release is available in mid-December and the final release is available in late January.

HOW TO ORDER

Check the publications and/or subscription(s) desired on the reverse, complete the order blank, enclose the proper remittance, detach entire page, and mail to the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954. Please allow two to six weeks, plus mailing time, for delivery.

WE WELCOME COMMENTS ABOUT THE INTERNAL REVENUE BULLETIN

If you have comments concerning the format or production of the Internal Revenue Bulletin or suggestions for improving it, we would be pleased to hear from you. You can e-mail us your suggestions or comments through the IRS Internet Home Page (www.irs.gov) or write to the IRS Bulletin Unit, W:CAR:MP:FP, Washington, DC 20224.

Internal Revenue Service
Washington, DC 20224

Official Business
Penalty for Private Use, \$300